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Israel: Background and U.S. Relations In Brief

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Contents

Introduction	1
Overview of U.S.-Israel Relations.....	2
Key Middle Eastern Security Concerns	3
Iranian Nuclear Deal: Next Steps for the United States and Israel	3
Regional Threats from Hezbollah, Syria, and Elsewhere	5
Israeli-Palestinian Issues	6
Ongoing Violence: Another Palestinian Intifada?.....	8
Domestic Israeli Politics	12

Figures

Figure 1. Israel: Map and Basic Facts	1
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Contacts

Author Contact Information	13
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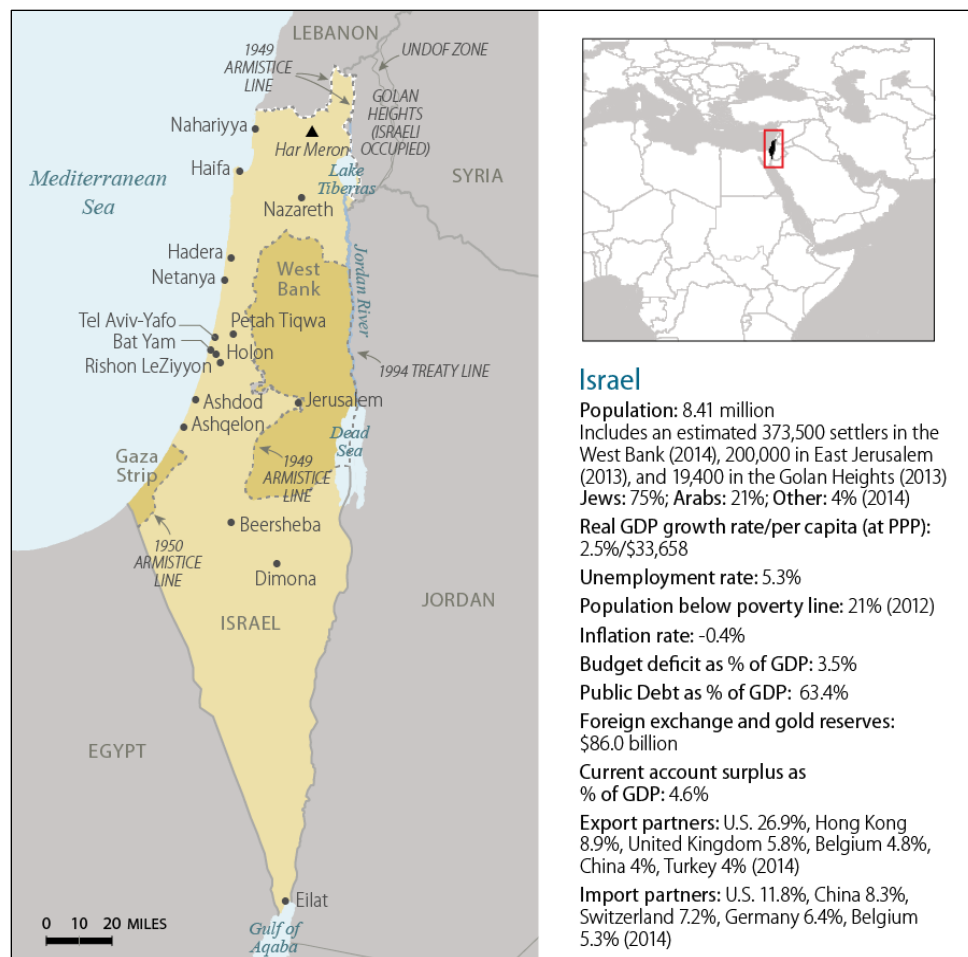
Introduction

Israel's security has significant relevance for U.S. interests in the Middle East, and Congress plays an active role in shaping and overseeing U.S. relations with Israel. This report focuses on the following:

- Recent dynamics in U.S.-Israel relations.
- U.S.-Israel next steps following the July 2015 Iranian nuclear deal.
- Regional threats Israel perceives from Hezbollah (the Lebanese, Iran-backed Shiite group and U.S.-designated terrorist organization), Syria, and elsewhere.
- Ongoing Israeli-Palestinian tensions and violence.
- Domestic political developments in Israel.

For additional information and analysis, see CRS Report RL33476, *Israel: Background and U.S. Relations*, by Jim Zanotti; and CRS Report RL33222, *U.S. Foreign Aid to Israel*, by Jeremy M. Sharp.

Figure I. Israel: Map and Basic Facts



Sources: Graphic created by CRS. Map boundaries and information generated by Hannah Fischer using Department of State Boundaries (2011); Esri (2013); the National Geospatial-Intelligence Agency GeoNames

Database (2015); DeLorme (2014). Fact information from CIA, *World Factbook*; Economist Intelligence Unit; IMF World Outlook Database; Israel Central Bureau of Statistics. All numbers are estimates and as of 2015 unless specified.

Notes: UNDOF: United Nations Disengagement Observer Force. The West Bank is Israeli-administered with current status subject to the 1995 Israeli-Palestinian Interim Agreement; permanent status to be determined through further negotiation. The status of the Gaza Strip is a final status issue to be resolved through negotiations. Israel proclaimed Jerusalem as its capital in 1950, but the United States, like nearly all other countries, retains its embassy in Tel Aviv-Yafo. Boundary representation is not necessarily authoritative.

Overview of U.S.-Israel Relations

For decades, strong bilateral relations have fueled and reinforced significant U.S.-Israel cooperation in many areas, including regional security. Nonetheless, at various points throughout the relationship, aligning U.S. and Israeli policies has presented challenges on some important issues. Notable differences regarding Iran and the Palestinians have arisen or intensified since 2009 during the tenures of President Obama and Israeli Prime Minister Binyamin Netanyahu. Israeli leaders have expressed some concerns about U.S. regional commitments and their potential implications for Israel, while U.S. officials have periodically shown unease regarding the compatibility of Israeli statements and actions with overall U.S. regional and international interests. However, both governments say that overall bilateral cooperation has continued and even increased by many measures in a number of fields such as defense, trade, and energy.

Israeli leaders and significant segments of Israeli civil society regularly emphasize their shared values and ongoing commitments to political, economic, and cultural connections with the United States and the broader Western world. However, the future trajectory of Israel's ties with the United States and other international actors may be influenced by a number of factors including geopolitical realities, generational change, and demographic trends.¹

The longtime U.S. commitment to Israel's security and "qualitative military edge" in the region is intended to enable Israel to defend itself against threats it perceives, which in recent years have largely come from Iran and groups Iran supports—such as Hezbollah in Lebanon and Hamas in the West Bank and Gaza Strip. The political complement to this cooperation has been a long-standing U.S. effort to encourage Israel and other regional actors to improve relations with one another. U.S. policymakers have sponsored or mediated numerous Arab-Israeli peace initiatives since the 1970s, including Israel's peace treaties with Egypt and Jordan and interim agreements with the Palestine Liberation Organization (PLO). However, largely owing to lingering Israeli-Palestinian disputes and widespread Middle Eastern turmoil, the ultimate objective of political normalization for Israel within the region has eluded successive Administrations.

As regional developments have increased Israeli concerns about threats near Israel's borders, they have also presented opportunities for Israel to make common cause with some Arab states in countering Iranian influence. Additionally, in recent years, Israeli and Arab leaders have expressed similar concerns about the nature and effectiveness of U.S. engagement in the region on behalf of traditional U.S. partners.

¹ See e.g., Dennis Ross, *Doomed to Succeed: The U.S.-Israel Relationship from Truman to Obama*, New York: Farrar, Straus and Giroux, 2015; Haim Malka, *Crossroads: The Future of the U.S.-Israel Strategic Partnership*, Washington, DC: Center for Strategic and International Studies, 2011.

Key Middle Eastern Security Concerns

Iranian Nuclear Deal: Next Steps for the United States and Israel

Israel's opposition to an international comprehensive agreement on Iran's nuclear program reflected deep and abiding Israeli concern over the issue. For years, Israeli leaders have described Iran and its reported pursuit of a nuclear breakout capacity as an extremely significant threat, though a range of views exist among Israeli officials and analysts regarding how to address the threat and its potential implications for Israel's security and international relationships.²

When the Iranian nuclear deal was announced in July 2015, Prime Minister Netanyahu said that it was a "historic mistake" and that Israel would "not be bound" by it.³ His criticism of the agreement, restated in his October 2, 2015, speech to the U.N. General Assembly, is widely shared across the Israeli political spectrum. However, some former officials from Israel's security establishment have publicly asserted that the deal has positive aspects,⁴ and some of them voiced concerns about possible damage that continued Israeli opposition to the deal might do to U.S.-Israel relations. With the deadline for Congress to pass a resolution of disapproval of the deal having expired in September 2015, some Israeli military leaders have reportedly urged Netanyahu "to begin working on a joint U.S.-Israeli strategy based on the deal's premise that Iran's nuclear program will be indeed be frozen for 15 years."⁵

Before the comprehensive agreement was announced, Israel and the United States reportedly began preliminary consultations on an aid and arms sales package to assuage Israeli concerns regarding the deal. Israeli leaders voice concern that the agreement and the sanctions relief it might provide for Iran could lead to increased material support for Hezbollah and other Iranian allies.⁶ This prospect of greater Iranian capacity to affect the regional balance of power in the wake of the deal, along with an expected increase in U.S. arms sales to Arab Gulf states—apparently calculated to mitigate the Gulf states' own concerns regarding the deal—could potentially affect Israel's "qualitative military edge" over regional threats.⁷ Israeli officials also

² See transcript of testimony from Natan Sachs of the Brookings Institution from the hearing before the House Foreign Affairs Committee on July 16, 2014, at <http://docs.house.gov/meetings/FA/FA00/20140716/102496/HHRG-113-FA00-Transcript-20140716.pdf>.

³ U.N. Security Council Resolution 2231, adopted on July 20, 2015, calls upon "all Members States, regional organizations and international organizations to take such actions as may be appropriate to support the implementation of the JCPOA [Joint Comprehensive Plan of Action], including by taking actions commensurate with the implementation plan set out in the JCPOA and this resolution and by refraining from actions that undermine implementation of commitments under the JCPOA."

⁴ Additionally, an Israeli media report indicates that Israel's Atomic Energy Commission has advised members of Israel's defense establishment that the deal would prevent Iran from developing a nuclear bomb over its duration. Chaim Levinson, "Israel's Nuclear Advisory Panel Endorses Iran Deal," *haaretz.com*, October 22, 2015.

⁵ David Ignatius, "Netanyahu's Next Step," *Washington Post*, September 4, 2015.

⁶ In an April 6 interview, President Obama said, "I've been very forceful in saying that our differences with Iran don't change if we make sure that they don't have a nuclear weapon—they're still going to be financing Hezbollah, they're still supporting Assad dropping barrel bombs on children, they are still sending arms to the Houthis in Yemen that have helped destabilize the country. There are obvious differences in how we are approaching fighting ISIL in Iraq, despite the fact that there's a common enemy there." "Transcript: President Obama's Full NPR Interview on Iran Nuclear Deal," April 7, 2015.

⁷ Amos Harel, "Washington, Jerusalem discussing massive compensation for Iranian nuclear deal," *haaretz.com*, May 20, 2015; and Leslie Susser, "The Challenge: Getting the US Back in Israel's Corner," *Jerusalem Report*, May 18, 2015. On May 19, 2015, the Defense Security Cooperation Agency published a notification of a proposed U.S. sale to Israel of \$1.879 billion worth of munitions and associated parts.

express concern that the deal, by preserving much of Iran's nuclear infrastructure, legitimizes Iran's aspirations to be a "nuclear threshold" state.

Such considerations are presumably driving Israeli leaders to seek tangible measures of reassurance from their U.S. counterparts. During its successful effort to avoid a congressional resolution of disapproval regarding the deal, the Obama Administration sent letters to several Members of Congress stipulating ongoing or planned steps to help Israel defend itself and counter Iran's destabilizing regional influence.⁸

In anticipation of U.S.-Israel negotiations for a new 10-year Memorandum of Understanding (MOU) on annual U.S. military aid (the current MOU expires at the end of FY2018), Israel has reportedly asked for this aid to be boosted from \$3.1 billion per year (the current level) to \$5 billion.⁹ While the two countries discuss future U.S. military aid to Israel, they are reportedly also contemplating a number of arms sales. Various sources indicate that such sales may include greater numbers and expedited delivery of fighter aircraft (advanced F-15s and F-35s), V-22 Ospreys, refueling planes, and cruise missiles, as well as more funding for various rocket and missile defense programs.¹⁰

The reportedly ongoing U.S.-Israel consultations on aid and arms sales appear to reflect a shift by Israeli officials away from opposing the nuclear deal, and toward insisting on its enforcement. During Prime Minister Netanyahu's November 2015 visit to the United States, he said:

I think that what is important is not merely President Obama's commitment to bolstering Israel's security for the next ten years, but also his commitment to maintain Israel's qualitative military edge so that Israel can defend itself by itself against any threat. That is the most important commitment. And despite our disagreement over the nuclear deal with Iran, I believe that America and Israel can and should work together now to ensure Iran complies with the deal, to curb Iran's regional aggression and to fight Iranian terrorism around the world.¹¹

Additionally, although some Israeli defense officials hint that a unilateral Israeli military strike against Iranian nuclear facilities remains an option to prevent Iran from acquiring a nuclear weapon, most analysts assert that such an option is less viable and likely than in the past.¹²

In the years before the agreement, Israel reportedly undertook a number of covert actions aimed at delaying or impeding Iran's progress toward a nuclear weapons capability—some with reported U.S. collaboration. According to one media report, current and former Israeli officials have said

⁸ As one example, see the text of letter from President Obama to Representative Jerrold Nadler at http://www.nytimes.com/interactive/2015/08/20/world/middleeast/document-obamas-letter-to-congressman-nadler.html?_r=3.

⁹ "US officials: Israel requesting \$5 billion in annual defense aid," *Times of Israel*, November 4, 2015.

¹⁰ Ibid; Carol E. Lee and Gordon Lubold, "Obama Seeks to Reassure Allies—Israelis, Saudis worried over Iran nuclear deal," *Wall Street Journal*, July 20, 2015; Harel, op. cit.; Susser, op. cit.; Julian Pecquet, "US offer of anti-Iran bomb lands as a dud in Israel," *Al-Monitor Congress Pulse*, September 21, 2015.

¹¹ Israeli Prime Minister's Office, PM Netanyahu's Address to the Jewish Federations of North America General Assembly, November 10, 2015.

¹² See e.g., Amos Harel, "Why Netanyahu Deserves Credit for Iran Nuclear Deal," *haaretz.com*, July 18, 2015. Russia's announcement in mid-April 2015 that it intends to fulfill its agreement to provide Iran an upgraded anti-aircraft capability (the S-300 system), after having suspended performance for a number of years, may decrease the viability of an Israeli military option even more. See, e.g., "Russia to begin delivery of S-300 missile system to Iran this year: Kremlin," *Xinhua*, November 25, 2015.

that Netanyahu “reserves the right to continue covert action,” raising questions about how the United States might view and respond to such action in a post-deal environment.¹³

Regional Threats from Hezbollah, Syria, and Elsewhere

A number of regional developments, as well as the Iranian nuclear deal, may affect Israel’s deterrence posture vis-à-vis Hezbollah. These include:

- Events in Lebanon and Syria.
- The Iranian nuclear deal and its implementation.
- Developments providing potential insight into U.S.-Israeli resolve and closeness, such as international responses to possible Iranian violations of the nuclear deal or the anticipated Israeli deployment (as early as 2016) of the Hezbollah-focused David’s Sling missile defense system.

In January 2015, Israel launched a deadly helicopter attack against Hezbollah fighters in Syria in close proximity to the Israeli-controlled Golan Heights. This airstrike triggered a cycle of retaliatory fire between Israel and Hezbollah in Lebanon.¹⁴ At other times during the conflict in Syria both before and after this incident, Israel has reportedly fired on targets in Syria in response to attack or threats of attack, or in attempts to prevent arms transfers to Hezbollah in Lebanon.¹⁵

As Russian aircraft have become directly involved in Syria in the fall of 2015, Israel and Russia have sought to establish a “joint mechanism for preventing misunderstandings.” However, it remains to be seen whether and how the mechanism can reliably mitigate risks. One Israeli analyst has written that despite the deconfliction talks, “it is unclear how the Israel Air Force will tolerate potential jamming, cyber strikes and limits of its space for maneuvering or if Moscow decides to establish an electromagnetic cordon sanitaire and anti access-area denial sphere around the pro-Assad coalition’s operational theater.”¹⁶ An October media report from Lebanon claimed that Russian aircraft had already blocked the pathway of Israeli jets near the Lebanon-Syria border in at least one instance.¹⁷ Additionally, in November, Israeli Defense Minister Moshe Ya’alon disclosed that a Russian jet traveled—purportedly by mistake—into Israeli airspace before being contacted by the Israeli military and returning to Syria.¹⁸ Such incidents, as well as Russia’s reported deployment of an S-400 air defense system in Syria (in response to Turkey’s downing of a Russian aircraft in late November), may raise concerns among Israeli leaders about being able to prevent or mitigate the supply of arms to Hezbollah via Syrian territory.

¹³ Adam Entous, “Spy Vs. Spy: The Fraying U.S.-Israel Ties,” *Wall Street Journal*, October 23, 2015. One December 2015 media report alleged—among various things relating to U.S. and Israeli intelligence practices—that, in monitoring various Israeli leaders in connection with the Iranian nuclear issue, the National Security Agency “swept up the contents of some of their private conversations with U.S. lawmakers and American-Jewish groups.” Adam Entous and Danny Yadron, “U.S. Spying Nabs Allies,” *Wall Street Journal*, December 30, 2015.

¹⁴ The initial Israeli strike killed six Hezbollah fighters and an Iranian Revolutionary Guard Corps general traveling with them. Hezbollah retaliatory fire from Lebanon killed two Israeli soldiers, and the Israeli return fire inadvertently killed a U.N. peacekeeper (from Spain) in Lebanon.

¹⁵ See, e.g., “Amid tangle of foes facing Israel from Syria, Kuntar was an obvious target,” *Times of Israel*, December 21, 2015; “Hezbollah drones, anti-aircraft missiles destroyed in alleged IAF attack, says Syrian opposition,” *jpost.com*, December 8, 2014.

¹⁶ Barbara Opall-Rome, “Israel, Russia Conclude First Round of Deconfliction Talks,” *Defense News*, October 7, 2015.

¹⁷ Roi Kais, “Report: Russia blocks Israeli jets over Lebanon,” *ynetnews*, October 17, 2015.

¹⁸ Amos Harel, “Analysis: Israeli Army Avoids Poking Russian Bear With a Stick,” *haaretz.com*, November 30, 2015.

Israeli officials have sought to draw attention to Hezbollah's weapons buildup and its alleged use of Lebanese civilian areas as strongholds.¹⁹ In highlighting these issues, Israel may be aiming to bolster the credibility of its threat of massive retaliation against a Hezbollah attack, at least partly to spur key international actors to work toward preventing or delaying conflict.²⁰ Observers debate the extent to which Hezbollah's involvement in the Syrian conflict in support of the Asad regime has weakened or strengthened the group.²¹

Sunni Salafi-jihadist activity in the region since 2014—particularly involving the Islamic State organization (IS, also known as ISIS/ISIL, or by the Arabic acronym Da'esh)—has also deepened Israeli concerns regarding Israel's border security²² and the security of neighboring Jordan. In September 2015, Israel began constructing a security barrier along its border with Jordan that will be similar to projects undertaken at its other frontiers.²³ Israeli security officials additionally monitor groups and individuals in the neighboring Gaza Strip and (Egypt's) Sinai Peninsula who claim allegiance to or inspiration from Salafi-jihadists,²⁴ and Israeli leaders have taken note of incidents in Europe since 2014 in which extremists have specifically targeted Jews (including Israeli citizens).²⁵ In late December 2015, IS leader Abu Bakr al Baghdadi issued his first explicit threat against Israel,²⁶ though how that translates to operational capacity and concerted effort to direct or inspire attacks against Israeli targets is less clear.²⁷

Israeli-Palestinian Issues

Official U.S. policy continues to promote a “two-state solution” to address core Israeli security demands as well as Palestinian aspirations for national self-determination, though there is no indication that a major U.S. initiative is imminent. In November 2015, Robert Malley, Middle East Coordinator on the National Security Council, reportedly said, “The president has reached that conclusion—that right now, barring a major shift, the parties are not going to be in the position to negotiate a final status agreement.”²⁸

¹⁹ Identical letters dated 27 May 2015 from the Permanent Representative of Israel to the United Nations addressed to the Secretary-General and the President of the Security Council, U.N. Document S/2015/382, May 27, 2015; Isabel Kershner, “Israel Says Hezbollah Military Sites Put Lebanese Civilians at Risk,” *New York Times*, May 13, 2015. Press reports citing unnamed U.S. officials with knowledge of Israeli intelligence estimates state that Hezbollah has upgraded the range and precision of its artillery, anti-ship, anti-tank, and anti-aircraft capabilities in recent years. Adam Entous, Charles Levinson and Julian E. Barnes, “Hezbollah Upgrades Missile Threat to Israel,” *Wall Street Journal*, January 2, 2014.

²⁰ Amos Harel, “Israel's secret weapon in the war against Hezbollah: The New York Times,” *haaretz.com*, May 16, 2015.

²¹ Avi Issacharoff, “A third of Hezbollah's fighters said killed or injured in Syria,” *Times of Israel*, December 15, 2015; “Hizballah's learning curve: Deadly experience,” *Economist*, August 22, 2015.

²² Judah Ari Gross, “IDF: Islamic State ally poses terror threat on northern border,” *Times of Israel*, December 30, 2015.

²³ Barbara Opall-Rome, “Israel Invests Billions in Border Barricades,” *Defense News*, September 7, 2015.

²⁴ See, e.g., Alex Fishman, “ Hamas is funding Islamic State in Sinai,” *Ynetnews*, December 14, 2015; Ronen Bergman, “The battle over Sinai: ISIS's next strong force,” *Ynet Magazine*, December 25, 2015.

²⁵ See e.g., “Kosher Copenhagen deli targeted in anti-Semitic attack,” *Times of Israel*, April 9, 2015; “Brussels Jewish Museum killings: Suspect ‘admitted attack,’” *BBC News*, June 1, 2014.

²⁶ “Islamic State head: ‘Palestine will be graveyard’ for Jews,” *Times of Israel*, December 26, 2015.

²⁷ See, e.g., Will McCants, “ISIS and Israel,” *jihadica.com*, November 6, 2015; Isabel Kershner and Daa Hadid, “5 Palestinian Israelis, Said to Be ISIS Supporters, Are Held,” *New York Times*, December 10, 2015.

²⁸ “Palestinian presidency: US comments on peace process ‘discouraging,’” *Ma'an*, November 8, 2015.

Several Israelis in the Netanyahu-led government and others toward the right of the political spectrum have bristled at Obama's periodic efforts to move the peace process forward. Other Israeli politicians toward the left of the political spectrum welcome the principle of greater U.S. involvement, claiming that regional challenges, Israel's international linkages,²⁹ and demographic changes make resolving the Palestinian issue more urgent. Netanyahu has publicly welcomed resuming negotiations without preconditions, but he and other Israeli officials have indicated or hinted that regional difficulties involving Iran and Arab states steeped in turmoil since 2011 forestall or seriously impede prospects for mutual Israeli-Palestinian concessions through negotiation.

In light of a number of complicating factors, ranging from internal Israeli and Palestinian politics, to attempts by both sides to gain political advantage over the other outside of negotiations, efforts toward resolving the decades-long conflict face serious challenges. After the most recent U.S.-backed round of peace talks collapsed in April 2014, Israeli-Palestinian disputes intensified in media exchanges and international fora. Doubts regarding prospects for peace appear to have increased after Netanyahu made remarks—which he later downplayed—during his successful election campaign in March 2015 that raised questions about his willingness to accept a two-state solution.

While unrest was intensifying in and around Jerusalem (as discussed below), Palestinian Authority (PA) President Mahmoud Abbas and Prime Minister Netanyahu gave speeches at the U.N. General Assembly in late September and early October, respectively. Abbas stated that the Palestinians were no longer bound by the 1990s "Oslo" agreements creating the PA,³⁰ fueling speculation over whether the PA might at some point discontinue security cooperation with Israel or even disband itself, and whether the remarks were more a reflection of Abbas's frustration or a serious sign of imminent change.

In a September congressional notification,³¹ the Obama Administration reduced the amount of economic aid it initially expected to provide to Palestinians in the West Bank and Gaza for FY2015 from \$370 million to \$290 million because of—according to one State Department official—a number of factors, "including unhelpful actions taken by the Palestinians and constraints on our global assistance budget."³² As of late October, this \$290 million allocated for the Palestinians remained subject to an informal congressional hold.³³ In an October 20 letter to PA President Abbas, Chairwoman Kay Granger and Ranking Member Nita Lowey of the House Appropriations Subcommittee on State, Foreign Operations, and Related Programs implored him to refrain from inflaming Israeli-Palestinian tensions and to uphold his prior commitments to nonviolence, and further stated that U.S. assistance to the PA

...is predicated on the PA's adherence to the principles of the Oslo Accords as well as countering terrorism and the incitement of violence.... Therefore our ability to support

²⁹ For example, see CRS Report R44281, *Israel and the Boycott, Divestment, and Sanctions (BDS) Movement*, coordinated by Jim Zanotti.

³⁰ The main document establishing PA limited self-rule over the Gaza Strip and parts of the West Bank is the Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip (known generally as the "1995 Interim Agreement" or "Oslo II"), which was signed by Israel and the PLO on September 28, 1995. The text is available at <http://www.mfa.gov.il/MFA/ForeignPolicy/Peace/Guide/Pages/THE%20ISRAELI-PALESTINIAN%20INTERIM%20AGREEMENT.aspx>.

³¹ U.S. Agency for International Development, FY2015 Congressional Notification #187, September 25, 2015.

³² Julian Pecquet, "US sends 'message' to Abbas with \$80 million aid cut," *Al-Monitor Congress Pulse*, October 22, 2015.

³³ Ibid.

future aid is severely jeopardized if you continue to abandon direct negotiations with Israel and ignore the necessary steps to achieve security, prosperity, and peace for both sides.³⁴

As violence has continued, Israeli officials have reportedly questioned the future viability of the PA.³⁵ On December 5, Secretary of State John Kerry gave a speech stating that “current trends including violence, settlement activity, demolitions, are imperiling the viability of a two-state solution.” In his speech, Kerry also warned of the potential security and economic consequences for Israel without the PA and its some 30,000 security personnel.³⁶

Ongoing Violence: Another Palestinian Intifada?

Tensions and violence have generally increased since the end of negotiations in April 2014. The increase is fueled in part by specific incidents and in part by cyclical patterns of protest, confrontation, and escalation (see chronology below). Contention between Israelis and Palestinians since September 2015 was initially most pronounced in and around Jerusalem’s Old City, but has spread to other places in Israel and the West Bank. According to media reports, at least 20 Israelis and more than 120 Palestinians have been killed, as well as a U.S. citizen.

Observers debate whether another Palestinian *intifada* (or uprising) might be underway or imminent. Most deaths and injuries since September have come from so-called “lone wolf” attacks by Palestinian men and women—often teenagers³⁷—and Israeli security responses either to violent incidents or to protests. The present dynamic to date appears to differ from the general organizational guidance and coordination of Palestinian protests and attacks during the first (1987-1991) and second (2000-2005) intifadas. The current young generation of Palestinians has little or no memory of past intifadas, and many appear to be influenced by Internet-based social media that encourage spontaneous demonstrations and individual initiative in planning and executing attacks.³⁸ At least one apparently unprovoked attack by a Jewish Israeli against Arabs has also taken place.³⁹ According to one Israeli journalist, as of mid-December the Israeli “defense establishment is on the lookout for any signs of a shift to organized cells carrying out shooting and bombing attacks on orders from above. There have recently been some signs in this direction, but so far, the shift hasn’t materialized.”⁴⁰

³⁴ Text of letter available at http://www.al-monitor.com/pulse/files/live/sites/almonitor/files/documents/2015/congress_letter_abbas.pdf.

³⁵ Adnan Abu Amer (translated from Arabic), “Is PA on verge of collapse?,” *Al-Monitor Palestine Pulse*, December 11, 2015; Karen DeYoung, “Kerry warns of ‘chaos’ if Palestinian Authority collapses,” *Washington Post*, December 6, 2015.

³⁶ Transcript of Secretary Kerry’s remarks at the Brookings Institution’s Saban Forum, available at <http://www.state.gov/secretary/remarks/2015/12/250388.htm>.

³⁷ See e.g., Jodi Rudoren, “Young Palestinians Fanning the Flames of a New Uprising,” *New York Times*, October 14, 2015.

³⁸ Mazal Mualem (translated from Hebrew), “Will social media spark a third intifada?,” *Al-Monitor Israel Pulse*, October 12, 2015.

³⁹ Ben Hartman, “Dimona: Jewish man stabs 4 Arabs in suspected nationalist attack,” *jpost.com*, October 9, 2015.

⁴⁰ Amos Harel, “Jerusalem Car-ramming Attack Shows Israel Still Cannot Thwart Lone Assailants,” *haaretz.com*, December 15, 2015. For more information on possible planning for a more organized intifada, see, e.g., Uri Savir, “Is Fatah planning the intifada?,” *Al-Monitor Israel Pulse*, December 15, 2015.

Chronology of Selected Key Events Possibly Related to Recent Israeli-Palestinian Violence

April 2014	A church and two mosques in Israel are vandalized, and a Jewish Israeli is arrested for allegedly delivering a threatening note to the Roman Catholic bishop of Nazareth, leading to expressions of concern among Arab Israelis.
June 2014	Hamas-linked militants kidnap and murder three Jewish Israeli teenagers in the West Bank, triggering robust Israeli investigative and security measures aimed at broadly subduing terrorist acts and plots. The suspected militants are killed by Israeli authorities in September.
July 2014	Jewish extremists murder a Palestinian teenager in East Jerusalem by beating and burning him, sparking further Israeli-Palestinian tension despite the arrest of the alleged killers.
July-August 2014	Israel-Gaza conflict (Israeli codename “Operation Protective Edge”) takes place, significantly affecting Israeli and Palestinian societies.
Fall 2014	Israeli-Palestinian tensions rise in Jerusalem in connection with Jewish Israeli visits (including by high-profile politicians) to the Temple Mount/Haram al Sharif (also known as the “Holy Esplanade”), leading to protests, individual instances of violence, and Israeli restrictions on access to the Esplanade. A day after a Palestinian bus driver dies under disputed circumstances, two Palestinians kill five Israelis (including three with U.S. citizenship) at a Jerusalem synagogue before being killed by police.
Summer 2015	As periodic incidents of Israeli-Palestinian violence continue in Jerusalem and the West Bank, an arson attack destroys a Palestinian home in the West Bank, killing a toddler, his parents, and seriously injuring another family member. A number of Jewish extremists are arrested in connection with the attack.
September-December 2015	Palestinians barricade the Al Aqsa Mosque in connection with claims of increased Jewish religious visits to the Holy Esplanade during the high holiday period, triggering a robust Israeli security response. Israeli-Palestinian violence intensifies in and around Jerusalem and spreads to other areas in Israel and the West Bank as Israeli, Palestinian Authority, U.S., and other international officials seek ways to address the violence, its underlying causes, and the problems it generates.

Statements by prominent Palestinians before and after various incidents have fed Israeli claims about alleged incitement.⁴¹ Meanwhile, Palestinians express grievances regarding material and psychological suffering that they claim as a result of Israeli efforts to exercise control in Palestinian-populated areas. The increase in violence has also led to questions about heightened Israeli security measures, in terms of both their efficacy and their legal implications—locally and internationally.⁴² Specific instances involving Israeli authorities and suspected terrorists, including the October death of an Eritrean migrant in Beersheba in a case of mistaken identity after a deadly attack by an Arab,⁴³ have triggered heated debate about when lethal force is appropriate to prevent a potential or actual attack or to prevent a suspect’s escape.

Among other measures taken after the mid-September outbreak of violence, the Israeli government relaxed limitations on the use of live fire and proposed heavier criminal penalties for those who throw objects at authorities, despite reservations voiced by Israel’s attorney general.⁴⁴

⁴¹ See e.g., David Makovsky, “Dividing Jerusalem? Repercussions of the Latest Violence,” Washington Institute for Near East Policy, PolicyWatch 2509, October 21, 2015.

⁴² See e.g., B’Tselem, “B’Tselem to PM: Your silence permits street executions,” November 25, 2015; Amnesty International, “Spiralling Violence in Israel/Occupied Palestinian Territories,” October 13, 2015.

⁴³ Josef Federman, “Fatal beating of Eritrean prompts soul-searching in Israel,” *Associated Press*, October 19, 2015.

⁴⁴ Mazal Mualem (translated from Hebrew), “Israel looks to respond to stones with bullets,” *Al-Monitor Israel Pulse*, (continued...)

The government also placed limitations on some Palestinians' access to the Holy Esplanade and approved temporary checkpoints, closures, and barriers designed to prevent Palestinians who live in various East Jerusalem neighborhoods from carrying out attacks in places where Jews and Arabs mix. In mid-October, Israeli military personnel were deployed to maintain order in cities throughout the country, and Israel's government anticipates possibly deploying several thousand military reservists in 2016.⁴⁵ Meanwhile, Israeli authorities have arrested a number of Jewish extremists wanted for various 2015 acts of violence and vandalism.⁴⁶

Although Prime Minister Netanyahu insists that he is acting to preserve the "status quo" arrangement for the Esplanade, a number of Muslim-majority countries have accused Israel of changing it.⁴⁷ On October 19, Secretary of State John Kerry said that "Israel has made it clear to me that they do not intend to and have not changed the status quo,"⁴⁸ after the U.S. State Department spokesperson said in his October 14 daily press briefing that "the status quo has not been observed, which has led to a lot of the violence."⁴⁹ Also in October, statements by Netanyahu were characterized by some in international media and official circles as alleging that the controversial historical Palestinian figure Haj Amin al Husseini influenced Adolf Hitler's decision to exterminate Jews during World War II.⁵⁰

Many observers question whether Abbas's approach is, on the whole, calibrated toward reducing or inflaming tensions, and whether he retains sufficient legitimacy among Palestinians to influence their actions.⁵¹ Reports indicate that Abbas and some of his advisors have consulted with Israeli authorities and with Palestinian activists (including those from Abbas's faction Fatah) in an effort to discourage Palestinian violence. With regard to Abbas's public statements on violence, one analysis characterizes them as ranging "from praising the knife-wielding 'martyrs' and those 'defending' Jerusalem's Al Aqsa Mosque against perceived Israeli violations ... to stating that he was for 'popular, nonviolent struggle and oppose[d] all violence and use of weapons.'"⁵² On December 14, Abbas was quoted as characterizing Palestinian actions since mid-September as a "justified popular uprising" by demonstrators "driven by despair" at the lack of a two-state solution.⁵³ A December poll of Palestinians in the West Bank and Gaza indicates that Abbas's approval rating declined from 44% to 35% in the previous six months, and that 66% of

(...continued)

September 25, 2015.

⁴⁵ Amos Harel, "Israeli Army Begins Broad Reserve Call Up for West Bank Deployment in 2016," *haaretz.com*, November 13, 2015.

⁴⁶ Luke Baker, "Amid Palestinian violence, Israel tracks far-right Jewish threat," *Reuters*, December 8, 2015.

⁴⁷ Michael J. Koplow, "Unholy Fire on the Temple Mount," Israel Policy Forum, October 15, 2015. For background on the "status quo," see the "Jerusalem" section in CRS Report RL33476, *Israel: Background and U.S. Relations*, by Jim Zanotti.

⁴⁸ Transcript of remarks by Secretary Kerry, Madrid, Spain, October 19, 2015.

⁴⁹ For more discussion of the events in question, see Ofer Zalzberg, "The Crumbling Status Quo at Jerusalem's Holy Esplanade," International Crisis Group, October 7, 2015.

⁵⁰ Jason Hanna, et al., "Netanyahu retraction: Nazis, not mufti, decided on Holocaust," *CNN*, October 31, 2015. In an October 30 Facebook post, Netanyahu said, "I did not mean to claim that in his conversation with Hitler in November 1941 [Husseini] convinced him to adopt the Final Solution. The Nazis decided on that by themselves." Post available at https://www.facebook.com/Netanyahu/posts/10153262682842076?_rdr=p.

⁵¹ For background on Abbas's leadership prospects and speculation about the potential end of his tenure and succession, see CRS Report RL34074, *The Palestinians: Background and U.S. Relations*, by Jim Zanotti.

⁵² Neri Zilber, "No, It's Not Another Intifada," *Politico*, October 22, 2015. Abbas has also characterized many Israeli security responses as human rights violations.

⁵³ "Abbas calls terror attacks 'justified popular uprising,'" *Agence France Presse*, December 14, 2015.

Palestinians in the areas polled believe that an armed intifada “would serve Palestinian national interests in ways negotiations could not.”⁵⁴

One concern among Israeli, PA, and international officials appears to be that further escalation could strengthen political support for extremists. That could include U.S.-designated terrorist organizations Hamas, Palestine Islamic Jihad – Shaqaqi Faction, and Al-Aqsa Martyrs Brigade (a Fatah offshoot) on the Palestinian side; and Kahane Chai on the Israeli side. Hamas leaders repeatedly encourage further attacks in public statements, while some figures from Fatah and other Palestinian factions have also reportedly made statements supporting violence.

Coordination by PA security forces in the West Bank—some of whom receive training and equipment from the United States and other countries—with Israeli counterparts is often challenged by domestic popular pressure at times (such as the ongoing period since mid-September) of considerable Israeli-Palestinian tension.⁵⁵ To date, the PA forces appear to be working to mitigate attacks in the West Bank areas they patrol,⁵⁶ though there are indications that strains may be appearing in Israel-PA security coordination and that PA forces may be scaling back their operations and acting more discreetly.⁵⁷ (Israel maintains responsibility for security in East Jerusalem, having annexed the area after the 1967 Arab-Israeli War.)

Ongoing tensions have involved Palestinian Arab citizens of Israel in addition to Palestinians from the West Bank and East Jerusalem. In mid-November, Israel’s security cabinet outlawed the northern branch of Israel’s Islamic Movement for incitement related to the controversy over the Holy Esplanade and Al Aqsa Mosque, prompting protests among some Israeli Arabs that the move harms their freedoms of expression and association.⁵⁸ Another development that could provoke negative reactions among Israeli Arabs is the ruling Israeli coalition’s ongoing effort to draft a Basic Law defining Israel as the nation-state of the Jewish people.⁵⁹

U.S. Policy Considerations

U.S. officials and many Members of Congress, along with several other international actors, have called for an end to the ongoing violence.⁶⁰ Secretary of State Kerry has traveled to the region on

⁵⁴ Palestinian Center for Policy and Survey Research Poll No. 58 (conducted with the Konrad-Adenauer-Stiftung), December 10-12, 2015 (3% margin of error).

⁵⁵ Some PA security force personnel attacked their Israeli counterparts in the early stages of the second intifada (which ran from 2000-2005). Most assessments of the Western-trained PA forces in the West Bank indicate that, since the train-and-equip programs became more robust in 2007-2008, the PA forces have increased in discipline and competence in maintaining overall law and order and in countering terrorist activity. See CRS Report RS22967, *U.S. Foreign Aid to the Palestinians*, by Jim Zanotti, and CRS Report R40664, *U.S. Security Assistance to the Palestinian Authority*, by Jim Zanotti. One media report cites Palestinian security sources as unofficially saying that a Palestinian gunman who, on December 3, 2015, wounded two Israelis at an East Jerusalem checkpoint before being shot and killed by Israeli troops was a member of the PA security forces. “Soldier wounded in W.Bank shooting, Palestinian attacker killed,” *Agence France Presse*, December 3, 2015.

⁵⁶ Avi Issacharoff, “PA arrests 19 Hamas members, suspects planning stabbing attacks,” *Times of Israel*, October 16, 2015.

⁵⁷ Diaa Hadid and Rami Nazzal, “Shift in Tactics by Palestinians in Policing Own,” *New York Times*, October 22, 2015.

⁵⁸ Calev Ben-David, “Israel Outlaws Domestic Islamic Group as Police Raid Offices,” *Bloomberg*, November 17, 2015.

⁵⁹ Attila Somfalvi, “Netanyahu advances Jewish nation-state bill,” *Ynetnews*, November 29, 2015.

⁶⁰ See e.g., H.Res. 293 (expressing concern over anti-Israel and anti-Semitic incitement within the Palestinian Authority.), which was passed by the House by voice vote on November 2, 2015.

multiple occasions, and during an October visit facilitated an agreement in principle between Israel and Jordan to use video cameras to monitor the Holy Esplanade.⁶¹

U.S. policymakers may consider the following questions:

- How important are Israeli-Palestinian issues for regional security? How important are they in light of broader U.S. foreign policy or domestic priorities?
- What are the likelihood and potential implications of the following scenarios: larger-scale Israeli-Palestinian violence; a PLO/PA succession crisis and/or dissolution; greater domestic empowerment of extremists on both sides; unilateral Israeli withdrawal from or annexation of West Bank territory; substantive international political, economic, and legal isolation or condemnation of Israel?⁶²
- What are the potential costs and benefits of diplomatic initiatives involving various actors (Israelis, Palestinians, Arab and Muslim-majority states and organizations, the European Union, Russia), or of establishing a framework to resolve the conflict via U.S. statements or a U.N. Security Council resolution?

Domestic Israeli Politics

Domestic debates in Israel focus largely on the following issues:

- How to address a complicated interplay of considerations involving national security, freedom of expression, competing ideologies, and international influence.⁶³
- How to promote macroeconomic strength while addressing popular concerns regarding economic inequality and cost of living.⁶⁴

In December 2015, Netanyahu finalized the government's approval of a deal that plans to allow a consortium led by U.S.-based Noble Energy and Israel's Delek Group to develop an offshore natural gas field known as Leviathan in exchange for some domestic price regulation and an agreement by Noble and Delek to sell or reduce their stakes in other offshore projects. Netanyahu claims that the deal is essential for Israel's energy self-sufficiency, and he and other deal supporters also point to possible benefits from a number of proposed initiatives to export Israeli gas to neighboring countries.⁶⁵ However, widespread domestic concern about pricing and

⁶¹ The details of any joint video monitoring efforts remain unclear, and some Palestinian leaders have expressed concern that the Israeli officials will use any information from these efforts chiefly for purposes of detaining Palestinians they deem to be troublemakers. See transcript of State Department Daily Press Briefing, October 26, 2015.

⁶² For more information on economic measures against Israel, see CRS Report R44281, *Israel and the Boycott, Divestment, and Sanctions (BDS) Movement*, coordinated by Jim Zanotti.

⁶³ See, e.g., "Israeli bill targets dovish nonprofits," *Washington Post*, December 28, 2015, reflecting significant differences of opinion regarding a legislative proposal touching on aspects of this issue between key figures in some coalition parties (such as Likud and Ha'bayit Ha'Yehudi [The Jewish Home]) and those in some opposition parties (such as the Zionist Union and Meretz).

⁶⁴ After contentious negotiation and month-to-month government funding that extended well beyond March 2015 elections and the subsequent government formation process, in November 2015 the Knesset passed Israel's 2015-2016 budget. The projected deficit is 2.9%. Raoul Wootliff and Marissa Newman, "Knesset passes 2015-2016 budget by 61-59 majority," *Times of Israel*, November 19, 2015. Key compromises included an agreement for the military to begin implementing some structural changes in exchange for increased defense spending, and a tax cut on public transportation in lieu of one on food. Spending increased for education, welfare, and health.

⁶⁵ For background, see CRS Report RL33476, *Israel: Background and U.S. Relations*, by Jim Zanotti. At about the same time as Netanyahu approved the Leviathan deal, some media reports indicated that Israel and Turkey might be (continued...)

competition has fueled political controversy and demonstrations on the issue. Netanyahu had to invoke a “never-before-used national security clause” to overcome objections from Israel’s antitrust office,⁶⁶ and the deal still faces a challenge in Israel’s High Court of Justice (Supreme Court).⁶⁷

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nearing normalization of the two countries’ long-frayed ties and preparing to discuss possible natural gas deals. See, e.g., Barak Ravid, “After Five Years, Israel and Turkey Agree on Reconciliation Pact,” *haaretz.com*, December 17, 2015; Onur Ant, et al., “Turk-Israel Reconciliation Talks Intensify on Russia Crisis,” *Bloomberg*, December 16, 2015; Serkan Demirtas, “Turkey wants unrestricted access to Gaza from Israel,” *hurriyetdailynews.com*, December 26, 2015.

⁶⁶ Isabel Kershner and Stanley Reed, “Israel Grants Approval for Development of Giant Offshore Gas Field,” *New York Times*, December 18, 2015

⁶⁷ “Meretz petitions High Court to block gas deal,” *Times of Israel*, December 17, 2015.